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# AREI UPDATES: Agricultural Real Estate Taxes

## Updates on Agricultural Resources and Environmental Indicators

Natural Resources and Environment Division  
Economic Research Service, U.S. Department of Agriculture

1995  
Number 9

### Agricultural Real Estate Taxes Rise 3 Percent in 1993

- Taxes levied on U.S. agricultural real estate (land and buildings) by State and local governments totaled \$5 billion in 1993, 3 percent more than in 1992.
- The U.S. average tax per acre was \$5.98, up from \$5.78 in 1992.
- The increase in average tax per \$100 of full market value on U.S. agricultural real estate rose slightly from \$0.84 in 1992 to \$0.85 in 1993.

USDA maintains a data series on agricultural real estate taxes, by State and the Nation, that dates from 1890 for taxes per acre and from 1909 for total taxes and taxes per \$100 of full market value. The data are obtained from a nationwide survey of approximately 4,200 taxing jurisdictions. (Alaska is excluded because of difficulties in determining the amount of privately owned taxable agricultural land in the State.) The survey asks for data on taxes levied (tax bill) rather than taxes paid because of taxpayer challenges or delinquencies, both of which may take several years to resolve. Over time, taxes levied and taxes paid are about equal.

Compared with 1992, taxes per acre in 1993 were higher in 39 States, lower in 7, and unchanged in 3.

Taxes per \$100 of full market value were higher in 26 States, lower in 19, and unchanged in 4. Taxes varied widely among the States, ranging in 1993 from \$0.41 per acre in New Mexico to \$58.51 in Rhode Island. Taxes per \$100 of full market value ranged from \$0.09 in Delaware to \$3.18 in Michigan.

Variations in State taxes result in part from (1) the degree that local governments rely on real estate taxes, rather than other taxes or fees, as a source of local revenue; and (2) the extent that States provide tax relief, such as preferential land-use assessment, homestead and old age exemptions, and veterans' preferences.

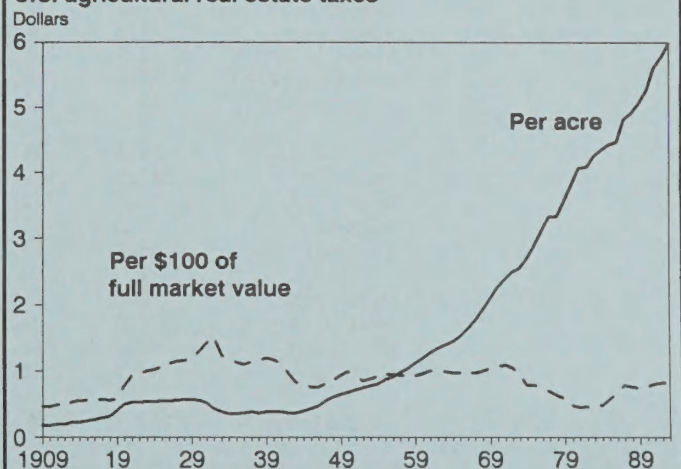
All States have laws on preferential (or deferred) land use assessment of farmland. These laws provide that farmland devoted to farming be assessed on the basis of its use as farmland and not on its market value. Not unexpectedly, these laws vary on their acreage requirements, minimum number of years in farming, percentage of gross annual income the landowner receives from the land, penalties for converting the land to a non-farming use, and so forth.

Contact: J. Peter DeBraal, NRED, (202) 219-1011

#### About AREI UPDATES

AREI UPDATES is a periodic series which supplements and updates information in **Agricultural Resources and Environmental Indicators (AREI)**, USDA, ERS, AH-705, Dec. 1994. UPDATES report recent data from surveys of farm operators and others knowledgeable about changing agricultural resource use and conditions, with only minimal interpretation or analysis. Please contact the individual listed at the end of the text for additional information about the data in this UPDATE. If you would like to be added to the mailing list or have other questions about AREI UPDATES or AREI, contact Richard Magleby, (202) 219-0436.

U.S. agricultural real estate taxes



Source: Economic Research Service



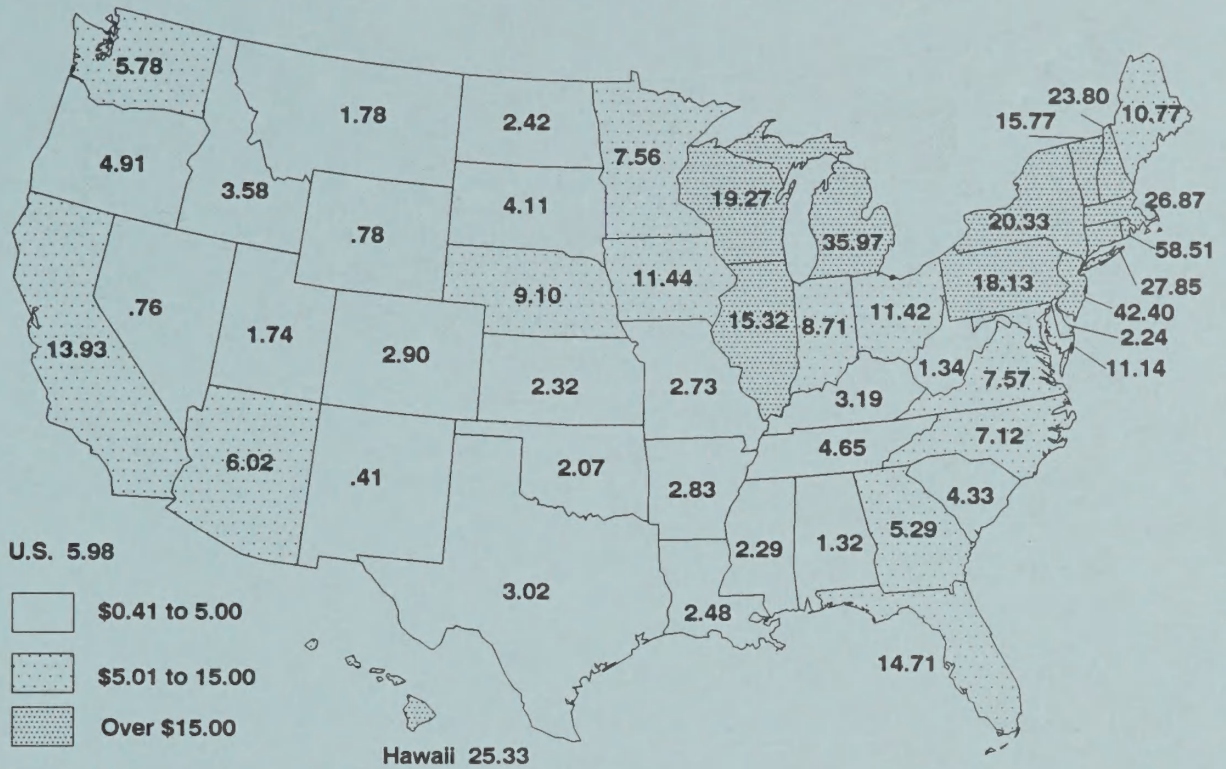
Taxes levied on agricultural real estate, by State, 1992-93

State	Total taxes		Average tax per acre		Taxes per \$100 of full market value	
	1992	1993	1992	1993	1992	1993
	Million dollars		Dollars		Dollars	
Alabama	10.9	11.1	1.32	1.32	0.16	0.15
Arizona	49.2	50.7	5.85	6.02	1.94	1.97
Arkansas	38.0	38.6	2.76	2.83	0.38	0.37
California	314.1	338.7	12.87	13.93	0.73	0.81
Colorado	81.2	83.2	2.83	2.90	0.77	0.76
Connecticut	10.0	9.9	27.46	27.85	0.68	0.65
Delaware	1.2	1.2	2.17	2.24	0.10	0.09
Florida	143.8	140.7	14.75	14.71	0.72	0.71
Georgia	53.4	52.4	5.39	5.29	0.60	0.55
Hawaii	42.3	42.9	24.92	25.33	0.69	0.74
Idaho	40.4	39.8	3.64	3.58	0.53	0.52
Illinois	428.6	431.2	15.18	15.32	1.01	1.02
Indiana	131.0	138.6	8.23	8.71	0.63	0.64
Iowa	350.2	358.9	11.13	11.44	0.95	0.92
Kansas	102.7	107.1	2.22	2.32	0.46	0.47
Kentucky	41.6	43.6	3.04	3.19	0.31	0.29
Louisiana	19.4	18.2	2.61	2.48	0.29	0.26
Maine	13.5	13.7	10.37	10.77	1.11	1.09
Maryland	22.7	23.8	10.64	11.14	0.47	0.44
Massachusetts	15.3	14.7	26.31	26.87	0.77	0.73
Michigan	359.5	359.4	35.65	35.97	3.23	3.18
Minnesota	196.1	198.2	7.45	7.56	0.85	0.84
Mississippi	22.7	22.3	2.33	2.29	0.32	0.30
Missouri	75.9	78.4	2.63	2.73	0.38	0.38
Montana	80.5	86.1	1.66	1.78	0.66	0.66
Nebraska	352.8	398.0	8.06	9.10	1.42	1.57
Nevada	4.1	4.1	0.78	0.76	0.34	0.36
New Hampshire	8.3	9.2	21.18	23.80	1.04	1.09
New Jersey	35.0	36.0	40.83	42.40	0.86	0.93
New Mexico	12.5	12.5	0.41	0.41	0.17	0.18
New York	165.4	160.3	20.98	20.33	2.00	1.82
North Carolina	58.5	59.8	6.90	7.12	0.55	0.54
North Dakota	87.0	90.2	2.33	2.42	0.65	0.62
Ohio	155.9	167.0	10.52	11.42	0.84	0.90
Oklahoma	63.6	64.6	2.04	2.07	0.41	0.41
Oregon	86.2	77.8	5.45	4.91	0.90	0.75
Pennsylvania	131.8	132.8	17.79	18.13	0.98	1.04
Rhode Island	2.9	3.0	54.38	58.51	1.18	1.20
South Carolina	19.5	19.8	4.23	4.33	0.45	0.50
South Dakota	133.4	152.0	3.61	4.11	0.99	1.11
Tennessee	52.3	53.2	4.50	4.65	0.46	0.44
Texas	367.5	379.3	2.93	3.02	0.63	0.64
Utah	11.7	12.1	1.66	1.74	0.39	0.38
Vermont	20.8	21.3	14.98	15.77	1.38	1.36
Virginia	59.0	61.7	7.15	7.57	0.52	0.58
Washington	72.3	74.2	5.63	5.78	0.71	0.74
West Virginia	4.6	4.5	1.37	1.34	0.19	0.19
Wisconsin	302.2	308.2	18.68	19.27	2.15	2.07
Wyoming	17.5	18.5	0.74	0.78	0.54	0.52
United States 1/	4,869.2	5,023.3	5.78	5.98	0.84	0.85

1/ Excludes Alaska.

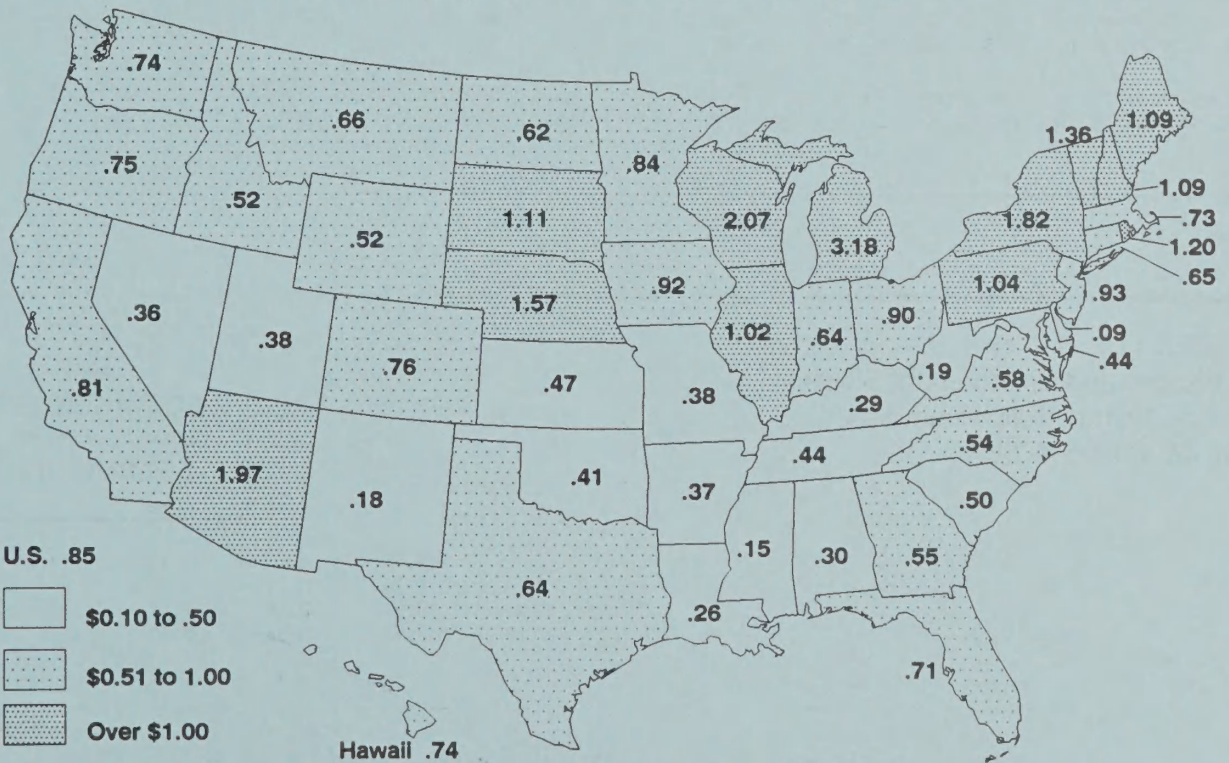
Source: Economic Research Service, Agricultural Real Estate Tax Survey.

### Agricultural real estate taxes, average per acre, 1993



Source: Economic Research Service.

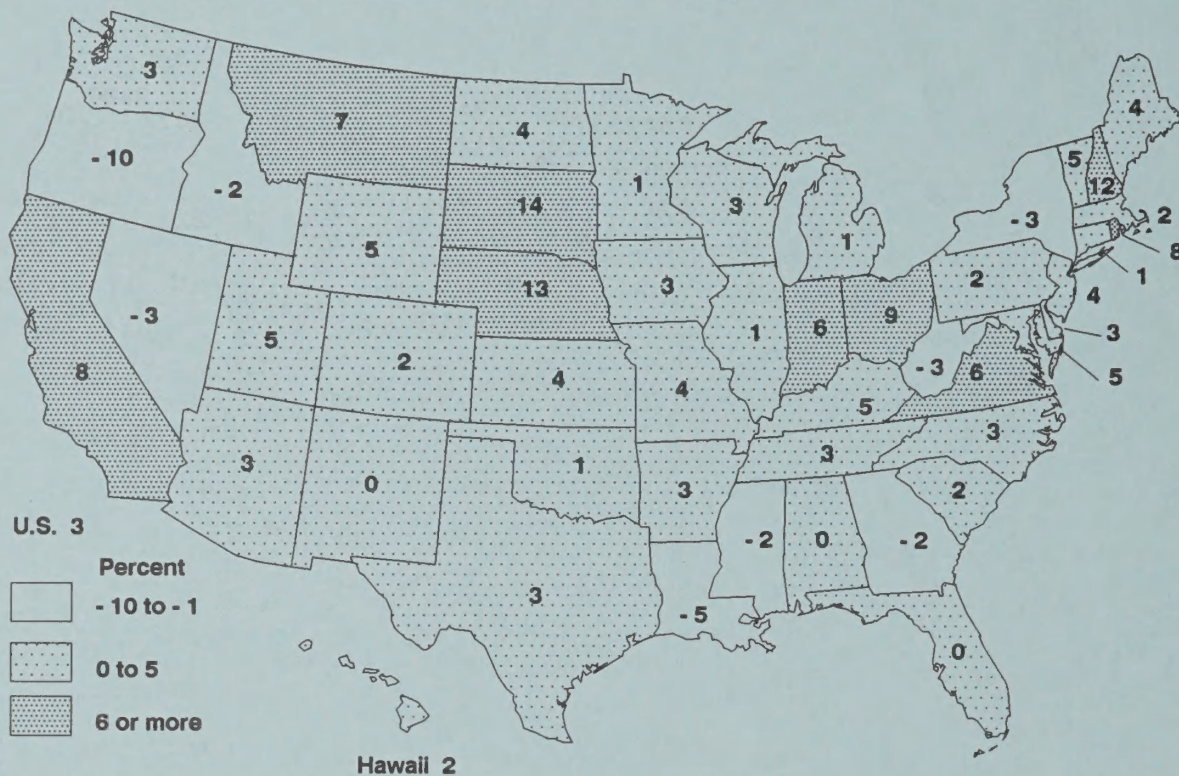
### Agricultural real estate taxes per \$100 of full market value, 1993



Source: Economic Research Service.



# Percent change in agricultural real estate tax per acre, 1992 to 1993



Source: Economic Research Service.

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